



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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IN REPLY
REFER TO DG

NOV 13 2003

MEMORANDUM CONCERNING THE PROPOSED DEBARMENT OF CROSBY &
OVERTON, INC., MICHAEL SHLOUB, MARGUERITE M. DUNDEE,
BONNIE DENT AND LINDA ALONZO

On June 5, 2003, the Defense Logistics Agency (DLA) suspended Crosby & Overton, Inc., Michael Shloub, Marguerite M. Dundee, Bonnie Dent and Linda Alonzo (Respondents) from Government contracting. On this day, DLA has issued Notices of Proposed Debarment to Respondents. The proposed actions are taken pursuant to the debarment procedures contained in the Federal Acquisition Regulation (FAR) Subpart 9.4, and the Defense FAR Supplement (DFARS) Subpart 209.4, and pursuant to the authority of the Federal Property Management Regulations (FPMR), 41 CFR 101-45.6 as reflected in DoD 4160.21-M, Chapter XVII.

The DLA actions are based on information in a report from the Defense Energy Support Center (DESC), a field activity of DLA located at Fort Belvoir, Virginia. Information contained in the report from DESC indicates that Respondents lack the present responsibility to be Government contractors.

INFORMATION IN THE RECORD

A summary of the information upon which the proposed debarments are based appears below:

1. Crosby & Overton, Inc., is a California corporation providing refuse services that specializes in collection, treatment, short-term storage and disposal of oily water.
2. During all or part of the time of the seriously improper conduct described below, Michael Shloub was president and chief executive officer of Crosby & Overton.
3. During all or part of the time of the seriously improper conduct described below, Marguerite M. Dundee was the vice-president-secretary-treasurer of Crosby & Overton, owning 50% of capital stock.
4. During all or part of the time of the seriously improper conduct described below, Bonnie Dent was the vice-president of Crosby & Overton, owning 25% of capital stock.
5. During all or part of the time of the seriously improper conduct described below, Linda Alonzo was the secretary-controller of Crosby & Overton.



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5. On January 16, 2003, a Criminal Information was filed in the United States District Court for the Central District of California against Crosby & Overton for knowingly making a false statement in a document used to ensure compliance with the federal Resource Conservation and Recovery Act in violation of 42 U.S.C. § 6928 (d) (3) (Making a False Statement in a Hazardous Waste Manifest). On June 16, 2003, Crosby & Overton was convicted of the offense charged in the Criminal Information. The conviction provides a cause for debarment pursuant to FAR 9.406-2(a)(5) and (c).

6. On July 21, 2003, counsel for Respondents submitted information and argument in opposition to the suspension. Subsequently, DLA received additional information from DESC supplementing the original recommendation and urging DLA to debar Respondents. Prior to issuing a final decision considering the additional information from DESC and the information and argument submitted by Counsel for Respondents in opposition to the original suspension, Respondents are hereby afforded an opportunity to consider the additional information DLA received from DESC.

BASIS FOR THE PROPOSED DEBARMENT

Based on the summary of facts above, it appears that:

1. The June 16, 2003, conviction of Crosby & Overton in the United States District Court for the Central District of California provides a cause for debarment pursuant to FAR 9.406-2(a)(5) and (c). Additionally, additional information in the administrative record indicates that Michael Shlob, Marguerite M. Dundee, Bonnie Dent and Linda Alonzo should be affiliated with Crosby & Overton.

2. Pursuant to FAR 9.406(1)(b), debarment may be extended to affiliates of a contractor. As defined in FAR 9.403 ("affiliates"): "Business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, (a) either one controls or has the power to control the other or, (b) a third party controls or has the power to control both. Indicia of control include, but are not limited to, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or a business entity organized following the debarment, suspension, or proposed debarment of a contractor which has the same or similar management, ownership or principal employees as the contractor that was debarred, suspended, or proposed for debarment."

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a. Crosby & Overton and Michael Shlob are affiliates, because, directly or indirectly, Michael Shlob controls or can control Crosby & Overton. The affiliation of Crosby & Overton and Michael Shlob provides a cause for his debarment, pursuant to FAR 9.406-2(c).

b. Crosby & Overton and Marguerite M. Dundee are affiliates, because, directly or indirectly, Marguerite M. Dundee controls or can control Crosby & Overton. The affiliation of Crosby & Overton and Marguerite M. Dundee provides a cause for his debarment, pursuant to FAR 9.406-2(c).

c. Crosby & Overton and Bonnie Dent are affiliates, because, directly or indirectly, Bonnie Dent controls or can control Crosby & Overton. The affiliation of Crosby & Overton and Bonnie Dent provides a cause for his debarment, pursuant to FAR 9.406-2(c).

d. Crosby & Overton and Linda Alonzo are affiliates, because, directly or indirectly, Linda Alonzo controls or can control Crosby & Overton. The affiliation of Crosby & Overton and Linda Alonzo provides a cause for his debarment, pursuant to FAR 9.406-2(c).



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